

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11
Case No. 13-76369

RJC REALTY HOLDING CORPORATION,
d/b/a MAXIMUS,

Debtor.
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DEBTOR'S AFFIDAVIT PURSUANT TO LOCAL RULE 1007-3

STATE OF NEW YORK)
)ss.:
COUNTY OF SUFFOLK)

RICHARD CALCASOLA, being duly sworn, deposes and says as follows:

1. I am the President of RJC REALTY HOLDING CORPORATION, d/b/a PURE MAXIMUS (hereinafter "Maximus") and make this Affidavit pursuant to Local Bankruptcy Rule 1007-3. Maximus (the "Debtor"), is a New York corporation and is engaged in the business of hair care, salon and spa services, and related services in Nassau County.

2. The Debtor's current problems arose when the Debtor was unable to meet its monthly rental obligations to its landlord, Country Plaza of Carle Place, LLC. This was caused by the fact that the Debtor had closed its affiliate in Merrick, New York a little over a year ago and sought to consolidate operations in the Westbury store. A number of the main producers in the Merrick location, at the last moment either started their own businesses or joined competitors, and reduced the Debtor's income by over a million dollars a year. The Debtor kept the support staff on at the projected sales number, in the hope that it would make up the lost revenue. After engaging a turnaround firm, the Debtor determined what steps it needed to take to reduce losses. The immediate cause for the filing was a landlord/tenant trial that was to take

place on December 24, 2013. The landlord is seeking approximately \$400,000.00 in rent and additional rent.

3. This case was originally commenced under Chapter 11 of Title 11 of the United States Bankruptcy Code and no Trustee has been appointed. There has been no pre-petition creditors' committee. Annexed hereto as Exhibit "A" is a list of the 20 largest unsecured claims excluding insiders, including the name, address and the amount of the claim, and an indication of whether such claims are contingent, unliquidated, disputed or partially secured. Annexed hereto as Exhibit "B" is a list of the secured creditors.

4. The Debtor's assets consist of its personal property holdings with a value that has not yet been determined. The personal property includes all of the equipment that the Debtor uses in its operation of its salon and spa facility as well as inventory of certain product that it retails to its customers. The Debtor's total liabilities at this point are approximately \$1,050,000.00.¹

5. At the present time, there is no property in the possession of any custodian, public officer, mortgagee, pledgee, assignee of rents, or secured creditor, or agents of any such entity.

6. The Debtor's substantial assets, book and records, are located at 399 Old Country Road Westbury, New York 11590. The Debtor does not have any assets outside the territorial limits of the United States.

7. Richard Calcasola is the President of the Debtor and has been with the Debtor for approximately 16 years.

8. The estimated amount of the weekly payroll to employees is approximately

¹ In addition, the Debtor currently has approximately \$400,000.00 in outstanding "gift cards" that it intends to honor. The Debtor has prepared a motion to authorize it to honor the outstanding gift cards in the normal course.

inclusive of taxes is \$34,000.00.

9. The sum of approximately \$10,000.00 is to be paid for services for the 30 day period following the Chapter 11 petition to officers and directors.

10. It is estimated that the expenses for the 30 day period following the bankruptcy petition will be approximately \$225,000.00 and that receipts will be approximately \$250,000.00.

/S/ Richard Calcasola
Richard Calcasola
President

Sworn to before me this
23rd day of December, 2013

s/ Avrum J. Rosen
AVRUM J. ROSEN
Notary Public, State of New York
No. 02RO4872542
Qual. in Suffolk County
Comm. Exp. Sept. 8, 2014